IN THE CLAIMS

Please amend the claims as follows:

1 (Currently Amended): A method of embedding data in material, the method comprising the steps of:

producing transform coefficients [[Ci]] \underline{C}_i representing a transform of the material, and

combining the coefficients [[Ci]] $\underline{C_i}$ with data symbols [[Ri]] $\underline{R_i}$ to produce modified coefficients [[Ci']] $\underline{C_i}$ ' where

$$Ci'=Ci + \alpha i Ri C_i'=C_i + \alpha_i R_i$$

the method further comprising determining an adaptation strength α_i [[α i]] for each unmodified coefficient [[Ci]] \underline{C}_i as a function $F\{C_n\}_i$ of a predetermined set $\{C_n\}_i$ of transform coefficients [[Cn]] \underline{C}_n which set excludes the coefficient [[Ci]] \underline{C}_i wherein the coefficients are serially ordered and the coefficients [[Cn]] \underline{C}_n are coefficients preceding coefficient [[Ci]] \underline{C}_i .

2 (Currently Amended): [[A]] The method according to claim 1, wherein the coefficients the set $\{C_n\}_i$ vary with i.

3 (Currently Amended): [[A]] The method according to claim 1, wherein the number [[Ni]] \underline{N}_i of coefficients in the set $\{C_n\}_i$ varies with i.

4 (Currently Amended): [[A]] The method according to claim 1, wherein the coefficients of the set $\{C_n\}_i$ have a predetermined positional relationship with the coefficient [[Ci]] \underline{C}_i to be modified.

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5 (Currently Amended): [[A]] <u>The</u> method according to claim 1, wherein the coefficients represent a spatial frequency transform of the material.

6 (Currently Amended): [[A]] <u>The</u> method according to claim 1, wherein the coefficients represent a wavelet transform of the material.

7 (Currently Amended): [[A]] The method according to claim 6, wherein the transform produces coefficients [[Ci]] \underline{C}_i in a plurality of bands.

8 (Currently Amended): [[A]] The method according to claim 7, wherein the transform coefficients forming the set $\{C_n\}_i$ are all in the same band.

9 (Currently Amended): [[A]] The method according to claim 7, wherein the transform coefficients forming the set $\{C_n\}_i$ are in a plurality of bands.

10 (Currently Amended). [[A]] The method according to claim 1, wherein the said function $F\{C_n\}_i$ is such that

$$\alpha i = \frac{1}{N_i} \sqrt{\sum C_n^2}$$
 for $n = i$ 1 to i Ni for $Ni \neq 0$ and $\alpha i = k$ for $Ni = 0$

$$\underline{\alpha_i} = \frac{1}{N_i} \cdot \sqrt{\sum C_n^2} \quad \text{for } n = i-1 \text{ to } i-N_i \text{ for } N_i \neq 0 \text{ and } \alpha_i = k \text{ for } N_i = 0,$$

where [[Ni]] $\underline{N}_{\underline{i}}$ is the number of coefficients [[Cn]] $\underline{C}_{\underline{n}}$ in set i.

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11 (Currently Amended): [[A]] The method according to claim 1, wherein the said data symbols [[Ri]] \underline{R}_i are of a pseudo random symbol sequence having symbols [[Pi]] \underline{P}_i modulated by data [[Wj]] \underline{W}_i to be embedded.

12 (Currently Amended): Apparatus An apparatus for embedding data in material, comprising

a transformer for producing transform coefficients [[Ci]] $\underline{C_i}$ representing a transform of the material, and

a combiner for combining the coefficients [[Ci]] C_i with data symbols [[Ri]] \underline{R}_i to produce modified coefficients [[Ci']] \underline{C}_i ' where

$$Ci'-Ci + \alpha i Ri Ci'-C_i + \alpha_i R_i$$

the apparatus further comprising

a calculator for calculating <u>an adaptation strength</u> $[[\alpha i]] \underline{\alpha}_i$ for each unmodified coefficient $[[Ci]] \underline{C}_i$ as a function $F\{Cn\}i F\{C_n\}_i$ of a predetermined set $\{Cn\}i \{C_n\}_i$ of transform coefficients $[[Cn]] \underline{C}_n$ which set excludes the coefficient $[[Ci]] \underline{C}_i$, wherein the coefficients are serially ordered and the coefficients $[[Cn]] \underline{C}_n$ are coefficients preceding coefficient $[[Ci]] \underline{C}_i$.

13 (Currently Amended): The apparatus Apparatus according to claim 12, wherein the coefficients of the set $\{Cn\}_i$ vary with i.

14 (Currently Amended): The apparatus Apparatus according to claim 12, wherein the unmodified coefficients of the set $\{C_n\}_i$ have a predetermined positional relationship with the coefficient [[Ci]] \underline{C}_i to be modified.

15 (Currently Amended): <u>The apparatus</u> Apparatus according to claim 12, wherein the coefficients represent a spatial frequency transform of the material.

16 (Currently Amended): <u>The apparatus</u> Apparatus according to claim 12, wherein the coefficients represent a wavelet transform of the material

17 (Currently Amended): The apparatus Apparatus according to claim 16, wherein the transformer produces coefficients [[Ci]] \underline{C}_i in a plurality of frequency bands.

18 (Currently Amended): The apparatus Apparatus according to claim 17, wherein the transform coefficients forming the set $\{C_n\}_i$ are all in the same band.

19 (Currently Amended): The apparatus Apparatus according to claim 18, wherein the transform coefficients forming the set $\{Cn\}i$ are in a plurality of bands.

20 (Currently Amended): The apparatus Apparatus according to claim 12, wherein the said function $F\{C_n\}_i$ is such that

$$\alpha i = \frac{1}{N_i} \sqrt{\sum C_n^2}$$
 for $n = i$ 1 to i Ni for $Ni \neq 0$ and $\alpha i = k$ for $Ni = 0$

$$\underline{\alpha_{\underline{i}} = \frac{1}{N_i} \cdot \sqrt{\sum C_n^2}} \quad \underline{\text{for } n = i\text{-}1 \text{ to } i\text{-}N_{\underline{i}} \text{ for } N_{\underline{i}} \neq 0 \text{ and } \underline{\alpha_{\underline{i}}} = \underline{k} \text{ for } N_{\underline{i}} = \underline{0},$$

where [[Ni]] \underline{N}_i is the number of coefficients [[Cn]] \underline{C}_n in set i.

21 (Currently Amended): [[A]] <u>The</u> method according to claim 1, wherein the data is imperceptibly embedded in the other material.

22 (Currently Amended):[[A]] <u>The</u> method according to claim 1, wherein the set $\{C_n\}_i$ consists of includes unmodified coefficients.

23 (Currently Amended): The [[A]] method or apparatus according to claim 1, wherein the set $\{C_n\}_i$ consists of modified coefficients preceding [[Ci]] C_i where the coefficients are serially ordered.

24 (Currently Amended): [[A]] The method or apparatus according to claim 1, wherein the set $\{C_n\}_i$ comprises at least one modified coefficient and at least one unmodified coefficient.

25 (Currently Amended): A method of removing data embedded in material according to the method of claim 1, the detecting method further comprising:

determining the values of the data symbols [[Ri]] \underline{R}_{i} ;

calculating, for each modified coefficient [[Ci']] $\underline{C_i}$, the value of the said function $F\{C_n\}_i$ of the corresponding set $\{C_n\}_i$ of coefficients [[Cn]] $\underline{C_n}$ to determine [[α i]] $\underline{\alpha}_i$; and

for each modified coefficient [[Ci']] $\underline{C_i}$, subtracting therefrom $\alpha i.Ri-\underline{\alpha_i}.R_i$ to restore the unmodified coefficient value [[Ci]] $\underline{C_i}$, wherein the coefficients are serially ordered and the said set $\{Cn\}_i$ $\{C_n\}_i$ consists of modified coefficients preceding coefficient [[Ci]] $\underline{C_i}$.

26 (Currently Amended): [[A]] <u>The</u> method according to claim 25, wherein the said set $\{C_n\}_i$ consists of includes restored coefficients [[Ci]] C_i , and comprising the the

method further comprising a step of using a restored coefficient [[Ci]] \underline{C}_i as a coefficient of another set $\{Cn\}_j \{C_n\}_j$ of coefficients for restoring another coefficient [[Cj]] \underline{C}_j .

27 (Currently Amended): The [[A]] method according to claim 25, wherein the said set $\{C_n\}_i$ comprises at least one modified coefficient and at least one restored coefficient, the coefficients preceding [[Ci']] \underline{C}_i .

28 (Currently Amended): [[A]] The method according to claim 25, further comprising the step of determining the values of the data bits [[Wj]] W_j embedded in material by correlating a reference pseudo random symbol sequence with the modified coefficients [[Ci']] $\underline{C_i}$ and decoding the correlation values to determine the data [[Wj]] $\underline{W_j}$ modulating the pseudo random sequence and remodulating the reference sequence with the said data to restore [[Ri]] $\underline{R_i}$.

29 (Currently Amended): <u>An apparatus</u> for removing data embedded in material according to the method of claim-1, the apparatus comprising:

a processor for determining the values of the symbols [[Ri]] \underline{R}_i ;

a calculator for calculating, for each modified coefficient [[Ci']] $\underline{C_i}$, the value of the said function $F\{C_n\}_i$ of the corresponding set $\{C_n\}_i$ of coefficients [[Cn]] $\underline{C_n}$ to determine [[αi]] $\underline{\alpha_i}$; and

a subtractor which, for each modified coefficient [[Ci']] $\underline{C_i}$, subtracts therefrom $\alpha_i.R_i$ $\underline{\alpha_i.R_i}$ to restore the unmodified coefficient value [[Ci]] $\underline{C_i}$, which thereby becomes available for use as an unmodified coefficient of another set $\{C_n\}_i$ of unmodified coefficients [[Cn]] $\underline{C_n}$ for restoring another coefficient [[Ci']] $\underline{C_i}$, wherein the coefficients are serially ordered and the said set $\{C_n\}_i$ consists of coefficients preceding coefficient [[Ci]] $\underline{C_i}$.

30 (Currently Amended): The apparatus Apparatus according to claim 29, wherein the said set $\{C_n\}_i$ consists of restored coefficients [[Ci]] \underline{C}_i and further comprising the further step of means for using a restored coefficient [[Ci]] \underline{C}_i as a coefficient of another set $\{C_n\}_{i+1}$ of coefficients for restoring another coefficient \underline{C}_{i+1} .

31 (Currently Amended): The apparatus Apparatus according to claim 30, wherein the said set $\{C_n\}_i$ consists of includes modified coefficients preceding coefficient [[Ci]] C_i .

32 (Currently Amended): The apparatus Apparatus according to claim 30, wherein the said set $\{C_n\}_i$ comprises at least one modified coefficient and at least one restored coefficient, the coefficients preceding $[[C_i]]$ C_i .

33 (Currently Amended): The apparatus Apparatus according to claim 29, further emprsing comprising means for determining the values of the data bits [[Wj]] \underline{W}_i embedded in the material, said means for determining comprising a correlator for correlating a reference pseudo random symbol sequence with the modified coefficients [[Ci']] \underline{C}_i , a decoder for decoding the correlations to determine the data [[Wj]] \underline{W}_i modulating the modulated sequence and a modulator for remodulating the reference sequence with the said data to restore [[Ri]] \underline{R}_i .

34 (Previously Presented): A computer program product arranged to carry out the method of claim 1 when run on a computer.

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35 (Currently Amended): A computer program product arranged to carry out the method of claim 25 when run on a computer.

36 (Currently Amended): <u>The [[A]]</u> method or apparatus according to claim 1, wherein the material is video material.

37 (Currently Amended). The [[A]] method or apparatus according to claim 1, wherein the material is audio material.

38 (Currently Amended): <u>The [[A]] method or apparatus</u> according to claim 1, wherein the material is audio/visual material.

39-58 (Cancelled).

- 59 (Currently Amended): <u>The Apparatus apparatus</u> according to claim 12, wherein the data is imperceptibly embedded in the other material.
- 60 (Currently Amended): The Apparatus apparatus according to claim 12, wherein the set $\{C_n\}\{C_n\}$ consists of unmodified coefficients.
- 61 (Currently Amended): The Apparatus apparatus according to claim 12, wherein the set $\{C_n\}_i$ includes unmodified coefficients.

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62 (Currently Amended): The Apparatus apparatus according to claim 12, wherein the set $\{C_n\}_i$ comprises at least one modified coefficient and at least one unmodified coefficient.